

PROJECT OVERSIGHT REPORT

On-Line Games Procurement
Washington State Lottery

Report as of Date:
February 2005

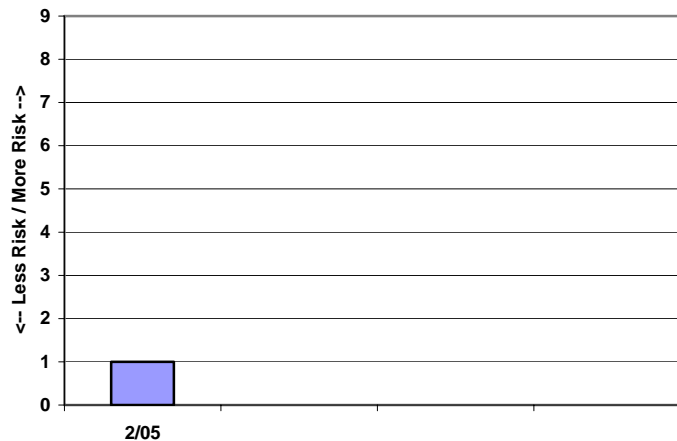
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Severity/Risk Rating: Medium (Severity medium, risk medium)

Oversight: Level 2 – DIS

Overall Project Risk Assessment



Staff Recommendations: There are no recommendations at this time. This is an initial project report. The project has released a request for proposal (RFP) with responses due March 25, 2005.

Issues/Risks:

RFP Scoring: The Lottery RFP team is developing the detail scoring for the mandatory and desirable features designated in the RFP. This task must be completed before responses are received.

Status:

Life Cycle Stage: Project is on schedule. The project is in the RFP stage.

Project Schedule: The schedule for the project is as shown:

Issue RFP	January 14, 2005
Respond to phase one questions	January 20, 2005
Vendor Preproposal Conference	January 21, 2005
Respond to phase two questions	February 8, 2005
Vendor Proposals Due	March 25, 2005
Announcement of Apparently Successful Vendor	May 27, 2005
Complete Contract Negotiations	March 17, 2005
Finalize contract	June 27, 2005
Complete software development	April 3, 2006
Complete system upgrades	May 8, 2006
Go Live	July 1, 2006

Project Management: The Lottery has formed an RFP project team, which includes representatives from the business areas of the Lottery. The project team hosts weekly meetings, which include the Office of State Procurement, and Department of Information Services/ISB staff. ISB Staff provides

oversight and recommendations for compliance with ISB requirements and good RFP practices, as does the Department of General Administration's Office of State Procurement.

Background Information

The Washington State Lottery has a legislative mandate to support state programs through the sale of lottery tickets and lottery products. The Lottery, through a lottery service contract, contracts with a vendor to provide hardware, software, communications, and retailer equipment at over 3,500 sites state-wide, to support lottery ticket sales and provide sales information. The Lottery is seeking a six-year contract with optional extensions to 10 years. The current service contract with GTECH Corporation expires June 30, 2006.

The Lottery's RFP is historically consistent with on-line gaming solicitations by the Lottery in the past. The Lottery will incorporate best practices from the North American Association of State and Provincial Lotteries. Use of the Department of General Administration's Office of State Procurement is a move to involve people with significant procurement experience who in recent years have also done a number of procurements under ISB rules.

The procurement is being conducted with a long lead-time. The Lottery would like to have a vendor named by May 2005 and a contract signed by June 2005, a full year ahead of implementation.